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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/824,629	04/14/2004	Joseph L. Talla JR.	GM2:1007RCE	6276
34725	7590	01/05/2009	EXAMINER	
CHALKER FLORES, LLP 2711 LBJ FWY Suite 1036 DALLAS, TX 75234			AHMED, MASUD	
ART UNIT	PAPER NUMBER			
			3714	
MAIL DATE	DELIVERY MODE			
			01/05/2009	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/824,629	<b>Applicant(s)</b> TALLAL, JOSEPH L.
	<b>Examiner</b> MASUD AHMED	Art Unit 3714

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
  - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
  - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 12 December 2008.
- 2a) This action is FINAL.      2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-32, 45 and 47-58 is/are pending in the application.
- 4a) Of the above claim(s) 33-44 and 59-63 is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-32, 45, 47-58 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                 | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date: _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                        | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date: _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Response to Amendment*

Applicant has amended claims 1, 18, 32 and 45. Examiner has considered the amendment to the claims very carefully and further examining the teachings of prior art of record, responded to the applicant's argument below.

### *Claim Rejections - 35 USC § 101*

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claim 45** is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

On October 26, 2005, the USPTO published Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility. See:  
[http://www.uspto.gov/web/offices/pac/dapp/opla/preognitice/guidelines101\\_20051026.pdf](http://www.uspto.gov/web/offices/pac/dapp/opla/preognitice/guidelines101_20051026.pdf)

This guideline details a procedure for determining patent eligible subject matter. As to claim 1, the first step in this process is whether the claims fall within one of enumerated categories. In the immediate application, the claims are drawn to a process - a "method of solving inverse problems" - and meets this step. However, the analysis does not end here. The next step is whether a judicial exception (abstract ideas, laws of nature, natural phenomenon) is provided in the claim. In the immediate application, claim 1 clearly includes one of the judicial exceptions in that "solving inverse

problems" and the step of "grouping the equivalent current dipoles based on a predetermined criterion...dipole magnitudes" are nothing more than abstract ideas. While abstract ideas alone are not eligible, the claim as a whole must be analyzed to determine whether it is for a particular application of the abstract idea. For claims including such excluded subject matter to be eligible, the claim must be for a practical application of the abstract idea, law of nature, or natural phenomena. To satisfy the requirement of a practical application, the claimed invention must:

(1) transform an article or physical object to a different state or thing; if no transformation, then

(2) the claimed invention must produce a useful, concrete, and tangible result.

Regarding (1) above, the claims do not provide a transformation or reduction of an article to a different state or thing. Grouping equivalent dipoles based on predetermined criterion and solving inverse problems clearly do not transform an article or physical object to a different state or thing. Accordingly, one must then consider whether the claimed invention produces a useful, concrete, and tangible result.

**(1) Useful Result**

For an invention to be "useful" it must satisfy the utility requirement of section 101. The USPTO's official interpretation of the utility requirement provides that the utility of the invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP 2107. It can be argued that the claim does not provide a useful result in that the claim does not actually solve a problem. It does not appear to be specific as to how the problem is solved and, if solved, it is not specific as to the use of this solution.

**(2) Tangible Result**

The tangible requirement does not necessarily mean that a claim must either be tied to a particular machine or apparatus or must operate to change articles or materials to a different state or thing. However, the tangible requirement does require that the claim must recite more than a 101 judicial exception, in that the process claim must set forth a practical application of that 101 judicial exception to produce a real world result.

Regarding the tangible result requirement, the claim clearly does not provide a practical application. The problem, even if solved, is not practically applied to produce a real world result. For example, once the problem is solved, how is this then applied?

**(3) Concrete Result**

Another consideration is whether the invention produces a "concrete" result. Usually, this question arises when a result cannot be assured. In other words, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. Resolving this question is dependent on the level of skill in the art. For example, if the claimed invention is for a process which requires a particular skill, to determine whether the process is substantially repeatable will necessarily require a determination of the level of skill of the ordinary skilled artisan.

Regarding the concrete result requirement, the claim does not provide a result that can be assured in that the result can not be substantially repeatable and the process can not substantially produce the same result again.

In view of the above analysis, applicant's claim 45 is a process which includes a judicial exception therein. Upon review of the claim as a whole, there is no

transformation nor does the claim produce a useful, concrete, and tangible result. In another word the claimed subject matter of claim 45 must be tied to a statutory subject matter such as a computer implemented system. Claim 35 currently as claimed seems to have mental steps with no statutory transformation. Accordingly, the claim is non-statutory under 35 U.S.C. 101.

Applicant is respectfully advised to follow the new 101 guidelines accordingly to overcome the rejection.

***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. **Claims 1-3, 6-18 , 21-32 and 45, 47-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Packes, Jr. et al (US 6,319,122), in view of Oram et al (US 2004/0063494).**

**Regarding claims 1, 18 ,32 and 45,** Packes discloses a gaming system providing payouts based on the activity of other players (col 2, lines 40-47); Packes further discloses each player is eligible to receive an increase play value on their account based on the activity or the sales price accepted on subsequent gaming session by other players, same way the multi-level marketing arrangement reward work (col 9,

lines 57-67); Packes is silent on disclosing a machine that creates a multi-level wagering account coupled to the gaming machine. Oram teaches a prepaid gaming card or an account can be purchased at a retailer or at a kiosk (another word for vending machine) (para 0007). Packes discloses a player tracking card that is connected to player's account are tracked in order to identify the players and their accounts (col 9, lines 35-45); Packes further discloses each subsequent gaming sessions are tracked and monitored and players accounts are identified to credits the previous game session initiator accounts based on the sales price accepted or game played from the current user (col 8, lines 24-28 and col 10, lines 32-45); Packes teaches and suggests

" Referring now to FIG. 10, there is illustrated a method 1000 for determining bonuses based on the activity of subsequent gaming sessions. Generally, each player is eligible to receive bonuses based on the results of the gaming sessions initiated after that player, in much the same way that a multi-level marketing arrangement rewards participants with a commission based on sales of all subsequent sales people hired by the original participant. The more subsequent sales people that are hired, the higher the potential commissions for the original hiring sales person. In much the same way, the present invention encourages players to continue a given gaming session in that the longer the session continues, the more likely it is that other subsequent gaming sessions will be initiated. In one

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embodiment, each jackpot won by a player of a subsequent gaming session results in a bonus monetary payout for the first player, as described more fully below." Packes teachings of players' accounts and rewarding players based on the activities of other players are an alternative of setting up multi-level wagering accounts on a machine to be rewarded by other players' activities. Further applicant has amended the claim to recite the "payout formula is not based on a play of any user", examiner drawing applicant's attention to above underlined sentence where Packes that if the more subsequent sales people are hired, the higher the commission for the original hiring sales person, in another word, same way applicant's claim recite the previous user is awarded based on the subsequent user purchasing the game. Therefore it would have been obvious to an ordinary skilled artisan at the time of invention to modify Packes gaming machine to have an option for players to set up a multi-level wagering account on the gaming machine and integrate Oram's gaming card purchasing kiosk so that players can be rewarded for other player's activities and attract more players to join and play.

**Regarding claims 2-3,** Packes discloses a gaming machine where sales price of the game is accepted, in another word a wagering gaming machine where the processor and the data device integrated into the single device (col 10, lines 32-37). Oram teaches a prepaid gaming card or account device (para 0007). Therefore it would have been obvious to ordinary skilled artisan at the time of invention to integrate Oram's prepaid

gaming card purchasing kiosk to Packes gaming machine to make it convenient for the players to create subsequent gaming wagering account.

**Regarding claim 6 , 21 and 56**, Packes teaches a gaming system with a player account that lets player wager or purchase the play on the gaming machine (col 8, lines 24-28) and provide the players information such as subsequent gaming session information (col 5, lines 15-20).

**Regarding claims 7 and 22**, Packes teaches a player identifier smart card associated with the players account (col 5, lines 22-28), a smart card is an alternative for a chip, RFID device, a token or a personal data assistant.

**Regarding claim 8 and 23**, Packes teaches an account number comprises a password or biometric data (col 5, lines 22-28).

**Regarding claim 9 and 24**, Packes teaches the one or more gaming machines are slot or video poker (col 11, lines 53-55); a network based game system that is accessible by one or more computer or server or a communication devices (col 4, lines 10-30).

**Regarding claim 10**, Packes teaches a network based accounting system associated with the network based gaming system (col 10, lines 45-47).

**Regarding claim 11, 25 and 49,** Packes teaches different predetermined payouts table and formula is used to randomly award the player for the subsequent playing session (col 4, lines 58-65 and col 3, lines 57-62).

**Regarding claims 12-13, 26-27 and 50-51,** Packes teaches different predetermined payouts table and formula based on the subsequent session of the gaming, for example Packes teaches a bonus can have an increased probability of winning or free play on gaming machines based on other players activities (col 10 lines 7-17), which are just an alternative of having different levels of matrix in payouts formula.

**Regarding claims 14-15, 28-29 and 52-53,** Packes discloses the recording of players playing session along with number of plays and statistics of the winning results from one or more gaming machines (col 7, lines 38-50).

**Regarding claims 16, 30, 54-55 and 57,** Packes teaches a subsequent gaming session where players results are associated with the players, upon players inserting the identifier the player account information can be retrieved at a remote location, since its a network based game or players winning to be applied to wager or redeem for payout or exchanged for cash (col 8, lines 10-40 and col 10, lines 14-17). However Packes is silent on disclosing transferring winnings to another multi-level wagering account. Oram teaches a prepaid gaming card or account where players can transfer funds between different accounts. Since the Oram and Packes are analogous in art

because they are from the same field of endeavor, therefore it would have been obvious to an ordinary skilled artisan at the time of invention to include Oram's fund transfer capability to Packes multi-level or subsequent wagering game system to give player flexibility of transferring winnings and playing using various accounts.

**Regarding claims 17, 31 and 58,** Packes teaches the play value or the player account information can be accessed from a remote location (col 10 lines 45-47).

**3. Claim 4-5 and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Packes, Jr. et al (US 6,319,122), in view of Arganbright et al (US 6,980,962).**

**Regarding claims 4 and 19,** Packes is silent on teaching a multi-level wagering account that charges a portion of the price as a fee for the operator. It is very common and well known in the art of multi-level marketing that members are charged with a fee to join. Arganbright teaches a multi-level marketing system where members are charged with a fee for using membership benefits (col 27, lines 24-27), which is an alternative way of charging a player for purchasing game in the multi-level marketing concept. Therefor it would have been obvious to ordinary skilled artisan at the time of invention to include the same concept of multi-level marketing to charge a fee to a player for purchasing gaming card or account to Packes subsequent gaming session to benefit the operator.

**Regarding claim 5 and 20,** Arganbright discloses annually paid members are entitled to members reward program and points or rewards are accrued based on their activities (col 63, lines 57-67). It is known in any art that members benefit or rewards are tied to members account, and if it is paid members account, members must keep the account active in order to keep the rewards. Therefore it would have been obvious to ordinary skilled artisan at the time of invention to include an expiration period for the purchased game for the players to keep them coming back to play more gaming session or lose values of the purchase session to the operator.

**Claims 1, 18, 32, 45 rejected under 35 U.S.C. 103(a) as being unpatentable over Paasche et al (US 7, 359, 871).**

**Regarding claims 1, 18, 32, 45,** Paasche teaches a multi-level marketing system that benefits the original or the previous members of the system based on specified numbers of subsequent member's purchases (see the summary), further Paasche teaches different reward level for different types of membership including performance bonus (col 28, lines 14-37), However the marketing system disclosed by Paasche is not disclosed to use in a wagering game system. Examiner believes a multi-level wagering game system and multi-level marketing system both would fall in the analogous art of business method. Now the question is whether a person having ordinary skill in the art

could arrive at implementing known method of multi-level marketing system into multi-level wagering system?

Examiner has no doubt that the disclosed method of Paasche would be within the skill of ordinary artisan to implement on a wagering game system, in very similar fashion of product purchasing versus game play purchasing.

#### ***Response to Arguments***

4. Applicant's arguments filed 12/12/2008 have been fully considered but they are not persuasive. Examiner respectfully disagrees with the applicant at least for the following reason:

5. In response to applicant's argument on "award based on activity of the other players", examiner respectfully disagrees with the conclusion, even in applicant's claimed invention original or previous user is awarded based on the subsequent player's purchase of the game, purchasing game card versus playing games by paying wager is the same, therefore there is no difference between awarding a player based on the subsequent game play activity or based on subsequent players purchasing game play.

6. In response to applicant argument on " the account in Packes is not purchased by the user for the sales price" and "the bonus in Packes is not distributed from the sales price paid by subsequent purchase of the multi-level wagering accounts", examiner respectfully disagrees because Packes clearly teach and suggest following " Referring now to FIG. 10, there is illustrated a method 1000 for determining bonuses based on the activity of subsequent gaming

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sessions. Generally, each player is eligible to receive bonuses based on the results of the gaming sessions initiated after that player, in much the same way that a multi-level marketing arrangement rewards participants with a commission based on sales of all subsequent sales people hired by the original participant. The more subsequent salespeople that are hired, the higher the potential commissions for the original hiring salesperson. In much the same way, the present invention encourages players to continue a given gaming session in that the longer the session continues, the more likely it is that other subsequent gaming sessions will be initiated. In one embodiment, each jackpot won by a player of a subsequent gaming session results in a bonus monetary payout for the first player, as described more fully below."

7. Therefore it is apparent from the disclosure of Packes that the game play and reward can be based on sales price received from subsequent purchasers.

#### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to MASUD AHMED whose telephone number is (571)270-1315. The examiner can normally be reached on Mon-Fri 10:00am-7:00pm, Alt Fri, EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Peter Vo can be reached on 571 272 4690. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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